

**GOVERNMENT OF INDIA
EXTERNAL AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:1753
ANSWERED ON:04.05.2016
Agreements signed in SAARC Summit
Adityanath Shri Yogi

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

- (a) the details of the agreements signed during the SAARC Summit of Foreign Ministers held in Nepal;
- (b) the current status of the South Asian Free Trade Area (SAFTA) Agreement; and
- (c) the details of the meeting held for setting up the South Asian Economic Union?

Answer

ANSWER
THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS
[GEN. (DR) V. K. SINGH (RETD)]

(a) No Agreements were signed during the 37th Meeting of the Council of Ministers held at Pokhara, Nepal on 17th March, 2016. The meeting undertook an extensive review of the status of cooperation in diverse sectors such as education, health, science and technology, poverty alleviation, agriculture etc. within the ambit of SAARC.

(b) The South Asian Free Trade Area (SAFTA) Agreement was signed in January 2004 and came into force on 1st January, 2006. SAFTA envisages eventual zero customs duty on virtually all products within the region. Phased reduction of customs duties has been negotiated over time. India, Bhutan, Maldives and Pakistan have proposed that peak tariff on all products is to be reduced to 0-5% by the year 2020 excluding a small number of 100 tariff lines which may still remain in the Sensitive Lists of the Member States. Afghanistan, Bangladesh and Nepal have indicated the timeline for reduction to be year 2030 with larger number of products in their Sensitive Lists. Sri Lanka is yet to convey its position. India has confirmed to reduce the number of products in the Sensitive Lists to 100 (for Non- Least Developed Countries) and to reduce the tariff lines to 0-5% by the year 2020. The number of products in respect of India that figure in the Revised Sensitive Lists (Phase-II) are currently 25 (for Least Developed Countries) and 614 (Non-Least Developed Countries).

With regard to addressing Non-Tariff Barriers (NTBs) to intra-regional trade, the following broad categories have been identified (a) procedures (b) variations in standards (c) transit, transport and infrastructural difficulties (d) para tariff barriers and (e) dispute settlement mechanism. The Notifications, Responses and Counter-Responses of members in respect of above categories are being examined.

(c) At the 18th SAARC Summit (November 2014, Kathmandu, Nepal), the Leaders renewed their commitment to achieve South Asian Economic Union (SAEU) in a phased and planned manner. Asian Development Bank (ADB) has been entrusted with the task of drawing a roadmap to achieve SAEU. Accordingly, a Regional Economic Integration Study (Phase II) has been concluded with the financial and technical assistance of ADB.

Two SAARC-ADB Special Meetings on Regional Economic Integration Study (Phase II) have been held. The first meeting was held in Goa, India on 14-15th April, 2015. The meeting made the following prioritized recommendations for achieving SAEU: (i) Reduction/Removal of Non-Tariff Barriers (NTBs) and Para-Tariff Barriers (PTBs) (ii) Energy Cooperation (iii) Investment Cooperation (iv) Reduction of products in the Sensitive Lists (v) SAARC Agreement in Trade in Services (SATIS) (vi) Trade Facilitation Measures and (vii) Improvement in connectivity (rail, road, air and maritime) among the Member States.

The second Special Meeting was held in Maldives on 27-28th January, 2016 with Trade Facilitation as the theme. It also examined the status of implementations of recommendations made in the first meeting. The next SAARC-ADB Special Meeting is scheduled to be held in Pakistan in September 2016 on the theme of Transport Connectivity.